

NET METERING

This tariff and the terms and conditions contain herein govern certain renewable generation facilities located on the Customer's premises where such facilities are owned or leased by the Customer and used solely for the purpose of the Customer's own consumption.

AVAILABILITY

Net metering is available to generation facilities owned or leased by a Customer (where the lease payments are based on the fair market value of the renewable generation equipment at the commencement of the lease term or some other generally accepted methodology for determining the fair rental value of such equipment that is not based on the energy generated by such equipment), for the purpose of offsetting all or part of the Customer's own electric power requirements, and capable of producing no more than the Customer's expected monthly load requirements from solar, wind, fuel cell or hydroelectric sources ("Facility"). The use of a Facility for providing service to a third party is strictly prohibited. Under no circumstance shall output from the Facility be provided or credited to any third party. The availability of net metering to a Customer that owns or leases a Facility ("Customer") is subject to the terms and conditions contained in this tariff. The Electric Division's General Terms and Conditions shall also apply to service under this tariff and Terms and Conditions, where not inconsistent with any specific provision hereof.

Net metering will be available on a first-come, first-served basis until the cumulative output capacity of net metering systems equals 2.0 percent of the Electric Division's peak demand occurring since July 2011. Customers wishing to participate in the Electric Division's net metering program should contact the Danvers Electric Energy Efficiency Engineer. In its sole discretion, the Electric Division may limit further the cumulative generating capacity of all Facilities in its service territory.

CONSTRUCTION OF THE FACILITY. The Customer may proceed to construct the facility once the Electric Division has received the completed application for Customer-owned generation on such form required by the Electric Division and such application has been approved by the Electric Division. The Electric Division will not approve any such application if it determines that the Facility will have an adverse impact on its system. The Facility shall be designed, constructed and operated in a manner that causes it to meet or exceed all applicable safety and electrical standards, including but not limited to the Massachusetts State Building Code, the Massachusetts Department of Public Utilities' regulations, the National Electric Code, the National Electrical Safety Code, IEEE, UL and the Electric Division's General Terms and Conditions for service.

ZONING AND PERMITTING

All Facilities shall conform to all applicable state and local requirements, including zoning bylaws and permitting requirements; it shall be the responsibility of the Customer to secure all such permits and approvals prior to the installation of any Facility. All costs associated with permitting and approvals shall be the responsibility of the Customer.

Interconnection and Operation. The Customer may operate a Facility and interconnect with the Electric Division's system only after the following has occurred:

- Municipal Inspection. Upon completing construction, the Interconnecting Customer will cause the Facility to be inspected or otherwise certified and/or approved by the local wiring inspector.

- Certificate of Completion. The Customer shall return a Certificate of Completion on such form approved by the Electric Division to Danvers Electric Division, 1 Burroughs Street, Danvers, MA 01923, ATTN: Electric Utility Director.
- Right to Inspection. Within ten (10) business days after the receipt of the Certificate of Completion, the Electric Division shall, upon reasonable notice, and at a mutually convenient time, conduct an inspection of the Facility to ensure that all equipment has been properly installed, and that all electric connections have been made in accordance with the Electric Division's requirements including these Terms and Conditions and the Electric Division's General Terms and Conditions. The Electric Division has the right to disconnect the Facility in the event of improper installation or failure to return the Certificate of Completion to the Electric Division.
- Interconnection Metering/Wiring. The Customer shall furnish and have installed, if not already in place, the necessary meter socket and wiring in accordance with all applicable safety and electrical standards. The Customer shall have installed a second meter socket and necessary wiring between the output of the Facility and the Customer's main electrical service. The meter socket shall be located outside of a location approved by the Electric Division. The second meter socket shall be supplied by the Electric Division at the Customer's expense. The Customer shall supply a safety disconnect switch adjacent to the Electric Division's metering equipment that is accessible by the Electric Division at all times.
- Payment of Any Upgrades. The Customer shall be responsible for paying the Electric Division for any upgrades to the Electric Division's system necessitated by the connection of the Facility to the Electric Division's system. The Customer also shall be responsible for equipment expenses including meters necessary to accommodate the Facility as set forth herein.
- Safe Operation and Maintenance. The Customer shall be solely responsible for constructing, operating, maintaining, and repairing the Facility in a safe manner. The Electric Division may temporarily disconnect the Facility to facilitate planned or emergency Electric Division work. In addition, the Electric Division may disconnect the Facility from its system at any time that the Electric Division determines, in its sole discretion, that the safety and reliability of the Electric Division's system may be compromised by the operation of the Facility. In the event that Facility damages the Electric Division's system, the Customer shall be solely responsible for all costs associated with the repair and/or replacement of damaged portion of the Electric Division's system and/or equipment.

ADDITIONAL CONDITIONS OF SERVICE

All Facilities shall be subject to any additional generation interconnection, grid isolation, and power quality standards and requirements as described in the Danvers Electric Service Terms and Conditions - Sections 14 and 16.

Metering. All Facilities constructed, installed, inspected, operated and maintained in accordance with these Terms and Conditions qualify for net metering as follows:

Installation of Net Meter. The Electric Division shall furnish and install a meter capable of net metering within ten (10) business days after the inspection of the Facility set forth above, if such meter is not in place, at Customer's expense.

Installation of Check Meter. The Electric Division will install a second meter to record the usage of the Customer generated energy. There will be no charge to the Customer associated with this meter.

Limitation of Liability, Indemnification and Insurance. The Electric Division shall not be liable to the Customer or any other person for any loss, injury, damage, casualty, fees or penalties, asserted on the basis of any theory, arising from, related to or caused by the construction, installation, operation,, maintenance or repair of the Facility, and associated equipment and wiring, except to the extent of its own gross negligence or willful misconduct, but only to the extent permitted by law. NEITHER BY INSPECTION NOR NON-REJECTION NOR IN ANY OTHER WAY DOES THE ELECTRIC DIVISION PROVIDE ANY WARRANTY, EXPRESSED OR IMPLIED AS TO THE ADEQUACY, SAFETY OR OTHER CHARACTERISTICS OF ANY EQUIPMENT, WIRING OR DEVICES, INSTALLED ON THE CUSTOMER'S PREMISES, INCLUDING THE FACILITY. The Customer shall indemnify and hold harmless the Town of Danvers and the Electric Division, its board members, managers, employees, agents, consultants, attorneys and assigns from and against any and all losses, claims, damages, costs, demands, fines, judgments, penalties, payments and liabilities, together with any costs and expenses (including attorneys' fees) incurred in connection with, resulting from, relating to or arising out of the construction, operation, maintenance and repair of the Facility, including the Customer's failure to comply with these Terms and Conditions or any abnormality or failure in the operation of the facility, or any adverse impact to the Electric Division's system or its other Customers. The Customer shall maintain sufficient insurance to cover any damage to the Electric Division's system caused by the construction, operation, maintenance and repair the Facility and shall name the Electric Division as additional insured. The Customer shall provide the Electric Division with proof of satisfactory insurance upon request by the Electric Division.

Termination. Service may be terminated under the following conditions.

By Interconnecting Customer. The Customer may terminate service under this tariff by providing written notice to the Electric Division.

By the Electric Division. The Electric Division may terminate service under this tariff (1) if the Facility fails to operate for any consecutive twelve month period, (2) in the event that the Facility impairs the operation of the Electric Division's electric distribution system or service to other Customers or materially impairs the local circuit and the Customer does not cure the impairment at its sole expense, or (3) the Electric Division terminates service under this tariff.

Assignment/Transfer of Ownership of the Facility. In the event that a transfer of ownership of the Facility to a new Customer occurs, the new Customer must file a completed application for Customer- owned generation on such forms approved by the Electric Division and the application has been approved by the Electric Division.

RATES AND BILLING FOR ELECTRICITY SUPPLIED TO THE CUSTOMER

During a billing period, if the Customer uses more electricity than its Facility feeds back into the Electric Division's system, the Customer will billed based on the same rate and terms and conditions applicable

to the Customer's class of service under the applicable Electric Division tariff, and shall, except for appropriate and necessary conditions for the safety and reliability of the electric distribution system. Danvers Electric will not charge the Customer any additional standby, capacity, interconnection, or other fee or charge related to net metering.

ENERGY MEASUREMENT FOR NET METERING SYSTEMS AND NET METERING CREDITS

The Electric Division will measure the net electricity produced or consumed on an hourly basis during a billing period, in accordance with normal metering practices. Electric energy measurement for net metering systems shall be calculated in the following manner:

At the end of a billing period, for every hour the electricity supplied by the Electric Division exceeds the electricity generated by the Customer, the Customer shall be billed for the net electricity supplied by the Electric Division, in accordance with the Electric Division's normal metering practices at the rates provided in the preceding section.

If, at the end of a billing period, there are hourly intervals where the electricity generated by the Customer exceeds the electricity supplied by the Electric Division:

The Customer shall be billed for the appropriate tariff charges for that billing period based on Customer class (Residential, G-1, G-2, G-3, etc.) and generator size. The Customer shall be credited for the excess kilowatt-hours generated during the billing period, with this kilowatt-hour credit appearing on the bill for the following billing period. The credits shall not result in any financial payments to the Customer. Any accumulated kilowatt-hour credits shall be used within 12 months from the month earned or shall revert to the Electric Division without any compensation to the Customer.

CUSTOMER GENERATION CREDIT

10 kW AND UNDER

For systems that have a production capability of less than 10 kW, the accumulated kilowatt-hour credits will be valued at the Customer's designated hourly rate for that month.

10 kW – 500 kW

For systems that have a production capability greater than 10 kW but less than or equal to 500 kW, any net excess generation reverting to Danvers Electric will be considered a wholesale generation resource in Danvers Electric's resource portfolio and the accumulated kilowatt-hour credits will be valued at the average ISO-NE Day Ahead Locational Marginal Price (DA-LMP) for that month.

> 500 kW

Customer generation systems larger than 500 kW are not eligible for net metering under this tariff.

**TOWN OF DANVERS ELECTRIC DIVISION
M.D.P.U. 134**

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